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SECRETARY OF STATE



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

TENNESSEE INSURANCE DIVISION, )

Petitioner, )

v. )

KELSEY KETRON, )

Respondent. )

APD No.: 12.04-159123J

TID No.: 19-019

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**AGREED ORDER IMPOSING CIVIL PENALTIES AND  
VOLUNTARY REVOCATION**

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The Insurance Division of the Tennessee Department of Commerce and Insurance (“Division”) and Kelsey Ketron (“Respondent”) hereby stipulate and agree to the entry and execution of this Agreed Order acknowledging voluntary revocation of her insurance producer license and agreeing to civil penalties subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Agreed Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of an order by the Commissioner.

2. This Agreed Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Agreed Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. The Respondent fully understands that this Agreed Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Agreed Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Agreed Order will in no way preclude proceedings by state government representatives, other than the Commissioner for alleged violations of the law addressed specifically in this Agreed Order, against the Respondent for violations of law under statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the entry and execution of this Agreed Order by the Respondent.

5. The Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of this Agreed Order, the stipulations and imposition of discipline contained herein, and the consideration and entry and execution of said Agreed Order by the Commissioner.

## **AUTHORITY AND JURISDICTION**

6. The Commissioner has jurisdiction over this matter pursuant to the Tennessee insurance law, Title 56 of the Tennessee Code Annotated (“Tenn. Code Ann.”), specifically, Tenn. Code Ann. §§ 56-1-101, 56-1-202, and 56-6-112 (“Law”). The Law places on the Commissioner the responsibility of the administration of its provisions.

## **PARTIES**

7. The Commissioner of the Department of Commerce and Insurance for the State of Tennessee has jurisdiction in this matter.

8. The Division is the lawful agent through which the Commissioner administers the Law and is authorized to bring this action for the protection of the people.

9. The Respondent was a licensee of the Division as an insurance producer and surplus lines agent from February 16, 2012, through August 31, 2016, license number 2065767.

## **FINDINGS OF FACT**

10. On May 29, 2019, the Division filed a Notice of Hearing and Charges and Request for Cease and Desist against the Respondent, APD No. 12.04-159123J; TID No. 19-019.

11. On November 4, 2019, the Respondent was indicted in Rutherford County, Tennessee, Case Nos. 82235, 82236, and 82237.

12. On January 17, 2020, the Division filed an Amended Notice of Hearing and Charges against the Respondent.

### CONCLUSIONS OF LAW

13. Tenn. Code Ann. § 56-6-103 provides that “[a] person shall not sell, solicit, or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this part.”

14. At all times relevant hereto, Tenn. Code Ann. § 56-6-112(a)(2) has provided that the Commissioner may place on probation, suspend, revoke, or refuse to issue a license under Title 56, Chapter 6, Part 1, or issue a civil penalty for “[v]iolating any law, rule, regulation, subpoena or order of the commissioner or of another state’s commissioner.”

15. For all violations occurring on or after July 1, 2011, Tenn. Code Ann. § 56-6-112 states in pertinent part:

...

(e) The commissioner shall retain the authority to enforce this part and impose any penalty or remedy authorized by this part and this title against any person who is under investigation for or charged with a violation of this part or this title, even if the person’s license has been surrendered or has lapsed by operation of law.

...

(g) If . . . the commissioner finds that any person required to be licensed, permitted, or authorized by the division of insurance pursuant to this chapter has violated any statute, rule or order, the commissioner may, at the commissioner’s discretion, order:

(1) The person cease and desist from engaging in the act or practice giving rise to the violation;

- (2) Payment of a monetary penalty of not more than one thousand dollars (\$1,000) for each violation, but not to exceed an aggregate penalty of one hundred thousand dollars (\$100,000). This subdivision (g)(2) shall not apply where a statute or rule specifically provides for other civil penalties for the violation. For the purposes of this subdivision (g)(2), each day of continued violation shall constitute a separate violation; and
  - (3) The suspension or revocation of the person's license.
- (h) In determining the amount of penalty to assess under this section, the commissioner shall consider:
- (1) Whether the person could reasonably have interpreted such a person's actions to be in compliance with the obligations required by a statute, rule or order;
  - (2) Whether the amount imposed will be a substantial economic deterrent to the violator;
  - (3) The circumstances leading to the violation;
  - (4) The severity of the violation and the risk of harm to the public;
  - (5) The economic benefits gained by the violator as a result of noncompliance;
  - (6) The interest of the public; and
  - (7) The person's efforts to cure the violation.

16. Considering the Findings of Fact above, all other matters of which the Division has actual knowledge, and the factors identified in Tenn. Code Ann. § 56-6-112(h), the Division concludes that there are grounds for an Agreed Order imposing a voluntary revocation of the Respondent's insurance license and civil penalties against the Respondent in the amount of twenty-three thousand dollars (\$23,000).

17. A twenty-three thousand dollar (\$23,000) civil penalty shall be a significant economic deterrent to the Respondent, who is early in her career and has never received more than a modest salary from the Company.

**ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and the Respondent's waiver of the right to a hearing and appeal under the Law and the Uniform Administrative Procedures Act ("UAPA"), Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission of jurisdiction of the Commissioner, the Commissioner finds that the Respondent, for the purpose of settling this matter, admits the Findings of Fact and agrees to the entry and execution of this Order.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 56-6-112 of the Law, that:

1. The Respondent submits to **VOLUNTARY REVOCATION** of her Tennessee insurance producer license.

2. The Respondent shall pay a total civil monetary penalty of **TWENTY-THREE THOUSAND DOLLARS (\$23,000)**. Payment shall be made in four (4) equal installments of five thousand, seven hundred fifty dollars (\$5,750). The first payment shall be made within forty-five (45) days of the date this agreement is entered and executed by the Commissioner, and each subsequent payment shall be made on or before the same date annually thereafter.

Payment shall be mailed to:

**State of Tennessee  
Department of Commerce and Insurance  
Attn: Vishan Ramcharan, Legal Division  
Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, Tennessee 37243**

If a payment is not made within fifteen (15) days of any due date, the Division shall be entitled, without notice or a hearing, to declare the remaining balance of the civil penalty due and seek to collect full payment of the remaining balance owed.

3. The Respondent may not apply for an insurance producer license until this civil penalty is paid in full.

4. The Respondent shall continue to **CEASE AND DESIST** from any activities requiring a license under Tenn. Code Ann. § 56-6-103.

5. This Agreed Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against Respondent Kelsey Ketron for violations of the Law alleged by or currently known by the Insurance Division (including any currently pending Inquisitorial Orders, which are covered by the terms of this Agreed Order) to have occurred with respect to the transactions involving the above referenced facts contained herein.

6. This Agreed Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only.

7. By the signatures affixed below, Respondent Kelsey Ketron affirmatively states she has freely agreed to the entry and execution of this Agreed Order, that the Respondent waives the right to a hearing on the matters underlying this Agreed Order or the enforcement of this Agreed Order, and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made to her by the Commissioner, the Insurance Division, or any agent or representative thereof.

8. The parties, by signing this Agreed Order, affirmatively state their agreement to be bound by the terms of this Agreed Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Agreed Order, are binding upon them.

9. This Agreed Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

**IT IS SO ORDERED.**

**ENTERED AND EXECUTED** this 16 day of January, 2020.

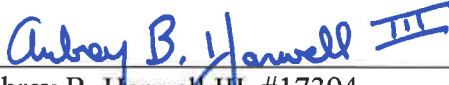


Hodgen Mainda, Commissioner  
Department of Commerce and Insurance




**APPROVED FOR ENTRY AND EXECUTION BY:**

  
Kelsey Ketron


  
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Erik C. Lybeck, #035233  
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*Counsel for the Division*

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the  
17<sup>th</sup> day of January 2020.

  
Stephanie Shackelford, Director  
Administrative Procedures Division